

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**DaimlerChrysler Insurance Company
NAIC No. 10499**

Enforcement Case No. 08-6919

Respondent
_____ /

**Issued and entered
on 3/15/09 2009
by **Stephen R. Hilker**
Chief Deputy Commissioner**

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. At all pertinent times, DaimlerChrysler Insurance Company (hereafter referred to as "DCIC"), NAIC No. 10499 was a licensed property and insurance company within the State of Michigan. DCIC is located at 27777 Inkster Road, Farmington Hills, Michigan 48334-5326.
2. As a licensed insurance company, Respondent knew or should have known that Section 1324 of the Michigan Insurance Code (hereafter referred to as "Code"), MCL 500.1324 provides that an insurer that is a member of an insurance holding company system and is authorized to do business in this state shall register with the Commissioner.
3. As a licensed insurance company, Respondent further knew or should have known that Section 1324 of the Code provides that an insurer, subject to registration under this chapter, shall register by May 1 of each year for the immediately preceding calendar year by filing with OFIR the Holding Company Registration (Form B), unless the Commissioner for good cause shown extends the time for registration.

4. The Commissioner did not extend the registration filing deadline for Respondent.
5. The Office of Financial and Insurance Regulation received Respondent's Holding Company Registration (Form B) on May 30, 2008, twenty-nine (29) days after it was required to be filed under Section 1324 of Code.
6. As a licensed insurance company, Respondent further knew or should have known that Section 1371 of the Code, MCL 500.1371 provides that an insurer failing, without just cause, to file a registration statement as required in this chapter shall be required, after notice and hearing, to pay a penalty of \$1,000.00 for each day's delay, up to a maximum of \$50,000.00, to be recovered by the commissioner and paid into the general fund. The commissioner may reduce the penalty if the insurer demonstrates to the commissioner that the imposition of the penalty would constitute a financial hardship to the insurer.
7. Section 1371 of the Code provides that the commissioner may reduce the penalty based upon a showing of financial hardship. The Commissioner is aware of the unique and extraordinary circumstances that Michigan's auto industry is facing and the extreme financial hardship faced by the principal companies and their subsidiaries and affiliates. These financial difficulties have caused an unusual degree of employee upheaval and loss of institutional memory. The Respondent had timely complied with all prior filings since 1964. The Respondent has made a commitment that there will be no future late filings, has provided assurance that accountability for the appropriate preparation of future filings is in place, and has demonstrated an understanding of the seriousness of not filing its holding company registration in a timely manner.
8. Based upon the actions set forth above, Respondent has committed an act that is a ground for a penalty under Section 1371 of the Code for failing to timely file its Holding Company Registration (Form B), as required under Section 1324 of Insurance Code, but the Commissioner concludes a reduced penalty is appropriate in this case.

B. STIPULATION

On behalf of DaimlerChrysler Insurance Company (the Company), I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. The Company waives the right to a hearing in this matter if this consent order is issued. The Company understands that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. The Company waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. The Company admits the facts set forth in the above consent order, agrees to the entry of this consent order and the Company further commits that there will be no future late filings, assures that

accountability for the appropriate preparation of future filings is in place, and understands the seriousness of not filing its holding company registration in a timely manner.

The OFIR staff approves this stipulation and recommends that the Commissioner issue the Consent Order.

William R. Peattie
William R. Peattie, Staff Attorney

Dated: 3/25/09

C. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 1324 of the Code, MCL 500.1324.
2. Respondent shall pay to the State of Michigan, a civil fine of Five Hundred Dollars (\$500.00.) Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent and Respondent shall pay the fine by the due date printed on the Invoice.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

By: Stephen R. Hilker

Stephen R. Hilker
Chief Deputy Commissioner